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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

December 15, 1924.

Vol. II, No. 26.

OFFICERS REPORT TO MEMBERS AT SPECIAL MEETINGS

Officers of the Yakima Fruit Growers' Association, Yakima, Wash., are holding twelve meetings in the various producing sections for the purpose of advising the membership regarding the activities of their organization during the past year. The president, sales manager, and field manager, are reporting to the different groups of growers preparatory to the annual meeting of the association to be held in January.

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DO YOU WANT AN INDEX TO AGRICULTURAL COOPERATION?

This issue of Agricultural Cooperation completes Volume II, for the year 1924. The first issue of Volume III will appear under date of January 5, 1925.

An index to Volume II is being prepared and will be available about January 1. Copies will be sent, without formal request, to libraries and to readers in foreign countries. Other readers who want copies will please make request in writing. In making a request please state the use to which you put the material appearing in the circular, and indicate the types of information not already included in the biweekly issues which you believe should be included.

The fiscal year of a large number of associations ends with December 31. Officers of such associations are urged to forward copies of their financial statements and annual reports at the earliest possible date. Please use the following address:

Division of Agricultural Cooperation,
Bureau of Agricultural Economics,
Department of Agriculture,
Washington, D. C.

DELAWARE GRAPE MARKETING ASSOCIATION COMPLETES FIRST SEASON

Organized in 1924, the Kent Grape Growers' Association, Inc., Dover, Del., is reported to be the first cooperative association of the kind in the state. It handled the grapes of 26 growers the past season, selling the combined output for \$41,000. As the association was able to make sales for several cents a basket more than the prices which prevailed in 1923, the members are pleased with the results obtained through their cooperative effort.

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ARIZONA CITRUS FRUIT MOVING TO MARKET

On December 1 the Arizona Citrus Exchange, Phoenix, Ariz., reported that about one-third of the crop of Marsh Seedless grapefruit had been sold. The fruit was of good texture and flavor and found a ready market. The crop was unusually heavy and prices are good. Each fancy Arizona grapefruit is now stamped "Arizona Desert Sweet" in red letters.

The crop of navel oranges is expected to be only about two-thirds as large as last year when 50 cars were shipped. The fruit is of good quality and is bringing good prices, practically all sales being for more than \$6 a box delivered.

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SUN-MAID RAISIN GROWERS ARE STRIVING FOR EFFICIENCY

Information made available recently indicates that the efforts of the past two years to reduce the operating expenses of the Sun-Maid Raisin Growers of California, Fresno, Calif., are yielding results. In a recent report it is stated that the per month-ton cost for capital has been reduced from 61 cents for the season of 1921-22 to 21 cents for the business year ending with August of 1924. Operating costs of the Fresno office of the selling division are also being reduced. For each \$100 expended during 1922, but \$85.20 was expended in 1923, and but \$32.60 in the first nine months of 1924.

Attention is called to the fact that if this selling expense were prorated over the total tonnage handled the average cost per ton would be \$4.55 for 1922; \$3.83 for 1923; and \$.81 for 1924. It is considered that the difference between 81 cents and \$4.55 furnishes a measure for determining the significance of the efforts being made in behalf of greater efficiency.

SOLID TRAIN OF GOPHER STATE POTATOES SHIPPED TO GEORGIA

A solid train of 20 cars of Gopher State Brand potatoes was shipped recently to Atlanta, Ga., by the Minnesota Potato Growers' Exchange, St. Paul, Minn. The sale was made through the Chattanooga office of the Federated Fruit and Vegetable Growers, Inc., and the 20 cars were assembled at Hammond, Ind. A big banner stretching the length of the first two cars told of the contents of the train and its destination.

According to the home-storage program, credit is to be allowed from November 1 for storage and shrinkage on all stocks stored on the farms. The warehousing program outlined for the exchange was disapproved by but four members out of 13,654, and the perfecting of the organization of the three warehouse companies will proceed at once.

An experiment in the way of a consumer package is to be made this season. Potatoes will be packed in sealed peck and half-bushel packages and efforts will be made to determine whether housewives can be induced to buy potatoes on brand, also to learn something of the cost of such a merchandising program.

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BEAN GROWERS' LOCAL FUNCTIONS AT LOW COST

Final statement for the 1923 crop of lima beans and baby limas, has been issued by the Goleta Lima Bean Growers' Association, Inc., Santa Barbara, Calif. According to this statement the total weight of recleaned limas shipped was 4,232,194 pounds, and of recleaned baby limas, 316,867 pounds. This association is one of 18 similar groups belonging to the California Lima Bean Growers' Association, with headquarters at Oxnard. The Goleta local was organized in 1916 and had about 100 members in 1923. Some details of the business of the last four years are shown in the table below. It is of particular interest to note the large percentages of the amount received from the central organization which went to the credit of the bean producers. These high percentages indicate low operating expenses on the part of the locals.

Lima Beans					
Crop :	Pounds	:	Returns from	:	Per Cent
Year :	Shipped	:	Central Assn.	:	to Growers
:	:	:	:	:	:
1920 :	2,662,840	:	\$142,351.43	:	98.0
1921 :	2,692,280	:	164,767.54	:	98.1
1922 :	2,629,190	:	185,094.98	:	98.2
1923 :	4,232,194	:	335,824.59	:	98.8
Baby Limas					
1922 :	94,786	:	6,871.98	:	98.4
1923 :	316,867	:	24,874.06	:	98.9

VIRGINIA-NORTH CAROLINA PEANUT GROWERS OUT EXPENSES

Final statement of operation for the 1923 peanut pool was issued by the Peanut Growers' Association, Norfolk, Va., under date of October 31, 1924. In conjunction with the publication of the final statement occurred the mailing out of checks for the fourth and final payment for 75,000 bags (7,016,511 lbs.) of peanuts. Net returns from the sale of the peanuts were \$449,806, which was a return of 6.41 cents per pound. The net expenses were 1.31 cents a pound, and the average return to the grower amounted to 5.1 cents. It is stated by the management that the net expenses, which represent the cost of marketing, were four-tenths of a cent a pound less than for the preceding year when a larger quantity of nuts was handled.

The most significant figures from the final statement are given below:

	<u>Amount</u>	<u>Per Cwt.</u>	<u>Per Cent</u>
Gross sales	\$449,767.96		
Adjustments, inventories, etc.	38.21		
Net returns from peanuts	449,806.17	\$6.41	100.00
Net cost of marketing	91,933.65	1.31	20.44
Net return to grower	357,874.52	5.10	79.56

The larger items of expense making up the cost of marketing were: milling, \$33,649; salaries, \$14,586; freight and drayage, \$14,369; storage, \$7,352; interest, \$4,066; brokerage, \$3,712; bags and twine, \$3,620; receivers' commission, \$3,297; insurance, \$3,153.

Growers received their returns in four payments as follows

	<u>Amount</u>	<u>Per Cent</u>
First advance	\$274,165.52	77
Second advance	18,285.73	5
Third advance	31,082.59	9
Final settlement	34,340.58	9
Total	\$357,874.52	100

In commenting upon the present status of the organization recently, the manager said: "We think our record will clearly demonstrate that our association is now functioning on a strictly business-like basis, and the future looks extremely bright, provided that we can get delivery of peanuts."

Last year each member of the association was privileged to sell one-half of his crop outside of the association and the same privilege is being extended this season. At the same time nonmembers are being asked to turn over to the association a part of their crops. A special one-year contract has been drawn for this nonmember business. This is one of the several efforts to obtain increased tonnage of the 1924 crop. It is hoped that not less than 200,000 bags of peanuts will be delivered to the association for cleaning, packing and marketing. Advances for the 1924 crop are to range from 1 to 4 1/2 cents a pound.

SOUTH DAKOTA WOOL GROWERS MARKET COOPERATIVELY

During the 1924 season the Cooperative Wool Growers of South Dakota, Pierre, S. D., marketed 590,000 pounds of wool for its 320 members, and advanced to these growers the sum of \$75,000, secured through the Federal Intermediate Credit Bank. This association was formerly the South Dakota Sheep and Wool Growers' Association. Reorganization was effected March 27, 1924, and 290 three-year contracts have been signed. The management believes the association has been instrumental in raising the price of wool from two to five cents a pound in the localities where it has operated for the past five years.

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WOOL MARKETED COOPERATIVELY IN ILLINOIS

A wool pool promoted by the livestock department of the Illinois Agricultural Association, Chicago, Ill., contained 93,637 pounds of wool of the 1924 clip and brought gross returns to the farmers of \$40,202. Prices ranged from 34.5 to 51.2 cents, the bulk selling above 40 cents a pound. Some of the wool brought from 15 to 25 cents above the prevailing local prices. Four hundred twenty Illinois farmers contributed their wool for sale. A second pool is being formed to care for the large quantity of wool still unsold in the state.

This line of work was first undertaken by the Illinois Agricultural Association in 1919 when wool was selling for 10 and 12 cents a pound. In 1921 and 1922 nearly half a million pounds of wool was converted into blankets in order that the growers might receive better prices for their clips.

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OHIO WOOL ASSOCIATION FORMED UNDER NEW LAW

Reorganization of the Ohio Sheep and Wool Growers' Association, Columbus, Ohio, was completed October 28, under the new cooperative law of the state and the association became the Ohio Wool Growers' Cooperative Association. Action was taken at a meeting of 135 delegates from 56 counties which produce 95% of the wool clip of the state.

Ten questions of policy were presented to the delegates, covering reorganization and incorporation, districting the state, advances, annual dues, fees, two yearly pools, etc. A vote was taken on each question, after which the district directors were elected, also four directors at large. New marketing agreements have been forwarded to the members, together with the old cancelled contracts and a letter of explanation and instruction.

The new company is nonstock and nonprofit and will have a clearer legal standing in regard to its operation. A more representative form of government is also afforded. Directors were elected from 26 districts covering the entire state.

WOOL GROWERS' PROFIT NEARLY ONE-HALF MILLION

The outside price committee of the Pacific Cooperative Wool Growers, Portland, Ore., after careful investigation and study of prices paid for the various grades of wool in California, Idaho, Washington and Oregon during the last years, announces that its investigations lead to the belief that the members of the association have been paid \$1450,000 more than nonmembers for a similar quantity of similar wool from the same territory.

The investigation included the examination of reports covering several hundred outside sales in the Northwest during each of the past four years. The quantity of wool involved in the comparative study is given as 8,000,000 pounds for the association and a like quantity of similar grade in the same states sold during the same period by nonmembers.

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WOOL ASSOCIATION SUGGESTS MARKETING PLANS FOR MEMBERS

In a recent issue of its Weekly News Letter, the Idaho Wool Growers' Association, Twin Falls, Idaho, states that for more than a year the executive committee has been puzzling over the question of what plan of marketing to recommend to the growers in order that they may receive prices for their wool which the markets justify. As a result of the investigations the committee has prepared a wool-marketing report in which the Idaho growers are divided into three classes: (1) the small growers, including about 70% of the number of wool growers of the state, owning about 15% of the number of sheep; (2) the medium sized growers, including about 20% of the number of growers, owning about 35% of the number of sheep; and (3) the large growers, including 10% of the growers, owning about 50% of the sheep.

For the small grower, the man with from 40 to 1,000 fleeces to market, usually as a by-product of his ranch, and for others who have not the time nor inclination to make a deep study of wool marketing, the report recommends that the best plan is to join the Pacific Cooperative Wool Growers, Portland. The growers are advised that this association will advance 60% of the value of the wool on delivery, and because of the large quantity handled it is in a position to secure advantageous prices.

For such growers as do not care to market their wool cooperatively the Idaho association has made arrangements whereby members with more than 1,000 fleeces to sell can borrow now indirectly through the Federal Intermediate Credit Bank \$1 a fleece on all the wool they expect to produce next spring, at 7% interest. This plan will enable growers to finance themselves through the winter without agreeing to sell their wool to a speculator in return for an advance payment.

The Idaho Wool Growers' Association is not a marketing organization but is endeavoring to aid the members in selling their clips to the best advantage. Full information regarding the cooperative selling association is on file and is being made available to the growers.

FIRST PAYMENT ON TENNESSEE COTTON AUTHORIZED

A first distribution to members on December 15 has been authorized by the directors of the Tennessee Cotton Growers' Cooperative Association, Memphis, Tenn. This will include all cotton classed up to November 29.

As last year, the Tennessee cotton will be sold through the Arkansas Cotton Growers' Cooperative Association. Up to November 15 members of the Arkansas association had delivered 30,975 bales; Tennessee members had delivered 13,459 bales; and 1,047 bales had been received from Missouri growers, who were just beginning to deliver, making a total of 45,492, a 30% increase over the same date last year. Of 35,764 bales already classed, 75% classed as middling or better; 49% was 7/8 or less in length; 18% was 1 inch; 12% was 1-1/16; 6%, 1-1/8; 7%, 1-3/16; and 1% was 1-1/4 inches and above.

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LARGE ADVANCES MADE TO GEORGIA COTTON GROWERS

Advances to members of the Georgia Cotton Growers' Cooperative Association, Atlanta, Ga., on their 1924 cotton amounted to \$6,119,724, early in November. More than 90,000 bales had been received, compared with 50,000 on the same date last year. It takes several days for the cotton to be graded and recorded after it has been received but records of grade and weight of each bale are mailed to members as rapidly as possible. Such records have been mailed for the first 44,985 bales, of which number 10,028 bales graded middling white; 8,767, strict good middling, white; 7,128, strict good middling, tinged; 7,397, good middling, tinged; and smaller quantities of other grades. Many members are said to be delivering their cotton without asking for an initial advance.

ASSOCIATION INSURED AGAINST FORGERY

Forgery insurance in the amount of \$50,000 has been taken out by the Texas Farm Bureau Cotton Association, Dallas, Texas, in order to protect itself against loss on account of forged signatures or forged amounts on checks. More than 100,000 checks were issued by the association last year and the number is expected to reach 150,000 this year. No loss has been suffered heretofore through forgery but this precautionary measure was deemed advisable as a protection to the interests of the members.

In order to facilitate work on mailing checks for the December distribution, all cotton pools closed as of November 22.

Receipts of cotton on November 20 totalled 231,087 bales, compared with 149,896 on the same date last year, an increase of 54.9%.

SECOND PAYMENT FOR HAVANA SEED TOBACCO

Fifteen hundred tobacco growers in Connecticut, Massachusetts, New Hampshire, and Vermont, recently received a second payment on the Havana Seed tobacco of the 1923 crop, amounting to \$1,200,000. This payment, after certain deductions, averaged the growers about \$500 each. These growers are members of the Connecticut Valley Tobacco Association, Hartford, Conn., and sales were made by the association.

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EQUITY GRAIN COMPANY MAKES CAR REPORT

Two thousand two hundred ninety cars of grain were handled by the Equity Union Grain Company, Kansas City, Mo., in the six months, May to October, 1924. Shipments were made from 93 stations. The largest shipping point was St. Francis, Kan., from which 229 cars were shipped in the period; Yuma, Colo., came second on the list with 145 cars; McDonald, Kan., shipped 131; Goodland and Bay City, Kan., shipped 105 and 104, respectively. Other points handled 95, 86, 82, 69, 64 cars, and so on down to those which shipped one car each.

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LARGE BUSINESS REPORTED BY KANSAS COMPANY

Gross sales amounting to \$497,000 and a net profit of \$1,904 for the year ending May 31, 1924, are reported by the Trego County Co-operative Association, Wakeeney, Kansas. This company was organized in 1914 and handles grain, machinery, coal, livestock and general merchandise. Available figures for some of its transactions are shown below:

Year Ending	Gross Sales	Gross Trading	Total	Net
May 31		Profits	Expenses	Profits
1916	\$1,500,000
1917	750,000
1918	800,000
1921	2,475,513	\$71,346	\$55,767	\$15,579
1922	1,189,726	58,828	44,743	6,565
1923	665,238	31,581	48,645	14,290*
1924	497,442	52,046	52,975	1,904

*Loss.

Four elevators and two stores are operated under one general manager. The membership was reported in 1918 and 1919 as 450, and the last two years as about 650. Present worth of the association, including capital stock, surplus, and profit, is \$183,185.

REPORT OF MIAMI TOBACCO ASSOCIATION FOR FIRST YEAR

About 300 tobacco growers attended the second annual meeting of the Miami Valley Tobacco Growers' Cooperative Association, held at Dayton, November 1. Reports from the officers showed that over 60,000 cases of tobacco were received in 1923, of which 17,000 cases had been sold. The bulk of this quantity was received in six weeks, during which time the office, with a new and practically untrained force, issued approximately 7,500 checks, paying out over \$30,000 a day, six days a week.

A loan of \$851,850 was secured through a trust agreement with 60 banks in the tobacco-producing counties. Later this indebtedness was liquidated in order to relieve these banks and place them in a position to finance some of the members, and a new trust agreement was entered into with seven large Ohio banks for \$845,500, a portion of which has been paid.

Sales of 17,084 cases (5,311,970 lbs.) up to November 1, amounted to \$804,724, and advances to members amounted to \$1,085,154. The total cost for all overhead in maintaining the association and its work to November 1, is given as \$280,293, 1-1/2 cents per pound. Among the larger items of expense were the following:

Rehandling labor	\$57,886
Sampling labor	11,530
Freight and drayage on leaf tobacco	16,000
Receiving labor	14,542
Interest on borrowed money	26,781
Rent of warehouses, etc.	23,707
Insurance on leaf tobacco	10,468

The association had a net worth of approximately \$60,000 on December 31. The growers' surplus in the association at that time was \$818,341.

Every case of the 1923 crop unsold has been sampled or reworked. The rehandling was done in 16 warehouses and the shrinkage averaged 30 pounds to the case. Sampling was finished in October and all samples are in the association's headquarters at Dayton. Average cost of sampling was 14 cents per hundred. The association has recently moved to a new location where it has plenty of office room and space for storing and exhibiting all samples.

Work done by the Field Service Department brought 4,567 additional acres of tobacco into the association before the books closed April 26.

At the request of the board of directors, an investigating committee of three members visited the tobacco-producing sections of Connecticut and Pennsylvania, early in August. At Hartford, Conn., considerable information was collected regarding the Connecticut Valley Tobacco Association, Inc., and at Lancaster, Pa., a study was made of the methods employed in that section in harvesting, preparing for market, and marketing tobacco. The report of the committee was made available to the entire membership of the Ohio association by the board of directors.

FRANKLIN WEEK OBSERVED IN MINNEAPOLIS

November 3 to 8 was observed by the Franklin Cooperative Creamery Association, Minneapolis, Minn., as its "First Annual Franklin Week," and during the period the association was host to more than five thousand visitors. The idea of having a Franklin Week was conceived by certain of the employees of the company as a means of acquainting the people of the city with the institution and its products, and convincing them that milk is a valuable food.

A mass meeting was held the first evening, at which the program included educational talks regarding the milk supply and the value of milk products. The inspection of the plant by the visitors proved highly interesting and was also educational, as few had any idea of how a modern creamery was operated or what measures were necessary to insure a supply of pure and wholesome milk. Ice cream manufactured by the company was served to the guests, also crackers spread with the company's sweet-cream butter.

A parade in the downtown section of the city, with the company's band and glee club, and all the wagons, trucks, and glass-lined tanks, served as a forerunner of the occasion.

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MILLION DOLLAR BUSINESS BRINGS GOOD PROFIT

Business amounting to \$1,105,285 was handled during the year ending September 1 by the Creamery Machinery and Supply Department of the Minnesota Cooperative Creameries Association, Minneapolis, Minn. Cost of operation was only 2.5 per cent and the profit made was \$100,440. The percentage of dividends returned to the member creameries will vary considerably as there is a large difference in profit on the lines of goods handled, as, a small profit on tubs compared with that on machinery and general supplies. Seventy-five per cent of the patronage dividends due each creamery on its purchases through the department will be made in cash, and the remaining 25% in preferred stock bearing 7% interest. One creamery's purchases amounted to nearly \$9,000; another's to nearly \$7,000; and a third to \$5,600.

More than three million pounds of butter was sold by the Minnesota Cooperative Creameries Association during October, of which 46% sold as Land O'Lakes butter of 93 to 94 score, over 21% sold as 92 score, and 19% as 91 score. In speaking of its policies the management states: "This association could never show much of a profit to the creameries if the only money it could make for them would be what it could save in the cost of marketing butter. The value of cooperative marketing of the butter will come through a higher price for good butter, in which all the creameries will have advantage whether they belong to the association or not. What the association is aiming to do through its butter-marketing department is to create a greater demand for good butter by finding new markets and educating the consumers on these markets to see the difference between good and poor butter. Through creating a better demand for good butter the price of good butter will automatically advance."

OHIO CABBAGE GROWERS COOPERATE

One hundred twenty-seven carloads of cabbage had been shipped by the Ohio Cabbage Growers' Cooperative Association, Columbus, Ohio, up to November 6. These cars were loaded at stations operated by the company's five locals in the vicinity of Sandusky. The cabbage was marketed in two grades, medium cabbage and kraut cabbage, with weekly pools for each grade.

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MILK PRODUCERS DISTRIBUTE THEIR OWN PRODUCT

"From our farms to your homes the same day" is the slogan of the Producers' Milk Company, Cleveland, Ohio. This company was formed in 1915 by 24 farmers who were not satisfied with the returns they were receiving. To-day the company has 158 shareholders, of whom three-fourths are milk producers. The others are employees and former milk producers. Producers are required to subscribe for stock at the rate of two shares for each can of milk. Employees are limited to five shares each. Surplus milk is used for the manufacture of ice cream.

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CANADIAN MILK ASSOCIATION OBLIGED TO EXPAND

Expansion is the order of the day with the Fraser Valley Milk Producers' Association, Vancouver, B. C. Plans for development include a utility plant with equipment for making casein, milk powder, etc.; a large addition to another building to provide increased room for handling milk for wholesale and retail distribution, and for manufacturing ice and ice cream, and storing butter; a new stable with room for 100 horses and 65 wagons; a large garage; and new equipment for refrigerating plant. Estimates for these improvements range from \$300,000 to \$400,000.

It is also proposed to increase the facilities of the association by the purchase of two evaporating plants from the Pacific Milk Company, together with its three brands for milk powder.

The various proposed improvements were discussed by the members of the local associations in a series of meetings held in the early autumn. Following the meetings of the locals, a general meeting was held at New Westminster, at which time the development plan was considered unit by unit, with opportunity for full discussion of every point. As a result of this meeting the directors were authorized to carry out the plans and issue bonds for financing the operations. Bonds to the amount of one-half million dollars are to be issued in denominations of \$50, \$100, \$250, and \$500. Over \$100,000 of the issue was subscribed in ten days.

COOPERATIVE HAY SALES-AGENCY BEING FORMED

Articles of association are being drawn up for the Alberta Hay Producers' Association which is designed to act as a selling agency for local and district associations in Alberta, Canada. It is announced that any association which has under contract 50% of the hay to be marketed at any local point or in any district will be entitled to membership in the new company which is to be without capital stock and non-profit.

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TRACTOR ASSOCIATION FORMED IN TURKESTAN

A report from the American Agricultural Commissioner, Berlin, brings the information that a cooperative tractor association was formed in Turkestan during the year and for the first time tractors were introduced into the cotton-producing sections. As the farming units are usually very small the association will purchase the machines and plan for their use by the members, a system frequently practiced in certain European countries. Fifty tractors were brought in during the year and the experiment was considered a success. Plans are being made by the company for the introduction of 2,000 tractors in the next five years.

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SIAM HAS A FEW COOPERATIVE CREDIT ASSOCIATIONS

A beginning in cooperation in Siam has been made by the organization of a number of cooperative credit associations for advancing money to farmers, according to a consular report from that country. The first society was organized in 1916 under government auspices, and by October, 1922, the number had increased to 60 in three provinces. The report states that no later figures are available but that since that time the Ministry of Commerce has been working on a study of the whole question of cooperation for Siam and preparing new laws and regulations on the subject. A trip to India and Burmah has been made to study the movement.

Existing societies are nonprofit-sharing; they cover limited areas, offer free services, and assume an unlimited liability. "Money is borrowed from the Siam Commercial Bank at 6% interest, compounded quarterly, and loaned to the members at the rate of 12% per annum. The profits go to the society, which receives annually applications for loans from the members to cover their requirements for the year, and borrows from the bank a sufficient amount to cover the approved loans. No amount may be sanctioned as a loan to a member in excess of 50% of the total value of his land, which is rated at a very conservative estimate."

The rice farmers are holders or lessors of comparatively small pieces of land and live a hand-to-mouth existence. They usually have to borrow money to finance themselves and their crops until harvest, and such loans are ordinarily secured from dealers who estimate the value of the crop and later purchase the rice, deducting the amount of the loan and a high rate of interest.

LUXEMBURG HAS MANY COOPERATIVE SOCIETIES

The Grand Duchy of Luxembourg, Belgium, is reported by the American Consul in Charge at Antwerp, to be highly developed along lines of co-operative endeavor. The report states: "Luxemburg boasted the proud distinction of being the happiest country in Europe before the war, and attributed this favored position to a considerable extent to the organization characterizing agriculture and other types of production and the marketing of products of the Grand Duchy."

Societies for the purchase and utilization of machinery and equipment for agricultural production, dairy farming, raising of livestock, etc., number about 400 and are found in nearly every village. Of practically 40,000 farms in the country there are few large enough to warrant the independent purchase of expensive machinery and equipment, approximately 30,000 having not more than five acres each. The usual plan is for each association to own a hangar or shed for housing the machines and to make arrangements for the successive use of the various machines by the members in the neighborhood. Purchasing, repairing and leasing the machinery are the chief functions of these local associations, but they also buy fertilizers, forage, and seed grains for their members, buying at wholesale and retailing at cost price. Only rarely do they occupy themselves with the collective sale of agricultural products, "except under exceptional circumstances and when the sale in a collective way may serve to steady the market."

These local associations have a central organization known as the Federation of Local Agricultural Associations, but there is little effort at central control, and the locals purchase for their own groups and settle their own difficulties.

Forty local associations make up the Wine Growers' Federation, and of this number only one group of 32 members sells its products collectively. The individual wine growers prefer to handle their own sales.

A Federation of Dairies has 100 affiliated locals, organized along the lines described above. No effort has been made to sell milk and butter cooperatively but the advisability of adopting such a plan is under consideration as a possible means of reducing costs and increasing profits for the large dairy industry of Luxembourg.

Another federation with 20 local groups is concerned with stock improvement and is promoting education regarding the breeding and rearing of the milch cow, and has done effective work in the reduction of bovine tuberculosis. A livestock insurance federation has 69 locals, and a horse-breeding society has as its object the producing of finer breeds of horses, while numerous groups are engaged in the production of poultry, and a federation for the sale of eggs has 21 member groups.

The report further states: "...Practically every phase of industrial and agricultural activity is covered in some way by a cooperative association. It is a factor not to be forgotten by manufacturers and exporters of agricultural and dairy machinery and equipment of all kinds in the United States that the purchase of this material must, in most instances, be accomplished through representations made to the cooperative associations, local, regional, or national."

COOPERATIVE BUTTER MAKING IN SASKATCHEWAN

As a result of a legislative act in 1917, creating the Saskatchewan Cooperative Creameries, Ltd., Regina, Sask., shareholders controlling 20 local units were brought together in a single corporate body and the 20 plants became the property of the new corporation.

During the ten years from 1907 to 1917 local creameries were developing. In that period the number of patrons and shareholders increased from 213 to 8,126; the number of pounds of butter made annually grew from 66,246 to 2,482,400, and the gross value of the output increased from \$16,068 to \$966,152.

Developments since 1917 are indicated in part by the following table compiled from the annual statements of assets and liabilities of the Saskatchewan Cooperative Creameries, Ltd.:

Year Ending	:	Value of Land,	:	Paid-up
Nov. 1	:	Buildings and Equipment	:	Capital Stock
1917	:	89,049	:	44,444
1919	:	376,323	:	\$221,030
1920	:	908,813	:	296,481
1921	:	1,186,554	:	337,214
1922	:	1,272,804	:	346,928
1923*	:	1,221,144	:	352,979

*Fourteen months ending December 31.

The act creating the company gave it power to acquire and operate creameries, cheese factories, and cold-storage plants, and to buy and sell dairy and poultry products and poultry. Provision is made in the act for the establishment of local associations, the members of which shall meet annually and discuss "all matters pertaining to the management, operation and maintenance of the business of each local" and shall elect a "local board of management consisting of five members." Furthermore, one or more representatives shall be elected "to attend all general meetings of the company during the ensuing twelve months."

A feature of the act creating the corporation is a chapter relating to cold storage. This provides that the provincial government may enter into contract with the corporation for the construction, equipment and maintenance "of public cold storage warehouses," and further provides that the government may lend to the corporation at 6% interest sums equal to 75% of the appraised value of the warehouses acquired or established.

During the 14 months ending December 31, 1923, the corporation had a total turnover of \$2,628,519. The business was handled through five departments: cold storage, butter, ice cream, produce, and milk and cream. The last was the most profitable.

Seven cold-storage plants are being operated in addition to about 30 creameries. It is estimated that the butter made during the current year will amount to about five million pounds.

SASKATCHEWAN FARMERS DEVELOP COMPANY FOR MARKETING GRAIN

Since its organization in 1911 the Saskatchewan Cooperative Elevator Company, Ltd., Regina, Sask., Canada, has enjoyed steady growth until it is a business enterprise of considerable size. It was incorporated by a special act of the legislature of Saskatchewan, March 14, 1911. The first general meeting of the company was held the following July, at which time 46 locals had been formed and there were 2,580 shareholders. By the end of the calendar year 46 elevators were in operation. To-day there are nearly 400 locals, over 23,288 shareholders, and the number of elevators in operation is in excess of 400. Approximately 40,000,000 bushels of grain is handled yearly. The land, buildings and equipment of the company are valued at more than \$5,000,000, and the annual net profits amount to about \$400,000. Eight per cent dividends are paid annually on shares, and occasionally the paid-up value of these shares is increased by a credit to each share from the reserve account which has been in excess of \$1,000,000 for a number of years.

The figures given below tell the story of the growth of the enterprise:

Year Ending July 31	: Number of Share- holders	: Number of Locals	: Number of Elevators Operated	: Total Bushels of Grain Handled
1911	: 2,580	: 46	: ...	:
1912	: . . .	: ...	: ...	: 3,250,000
1913	: 9,000	: ...	: 137	: 13,000,000
1914	: 12,500	: ...	: 192	: 19,465,290
1915	: 15,000	: ...	: 210	: 13,764,653
1916	: 18,000	: ...	: 230	: 43,198,000
1917	: 20,000	: ...	: 253	: 34,558,637
1918	: 22,000	: ...	: 293	: 27,066,261
1919	: 21,032	: 316	: 308	: 21,841,556
1920	: . . .	: ...	: ...	: 20,324,773
1921	: 21,535	: 339	: 320	: 27,990,437
1922	: 23,014	: 355	: 332	: 37,335,377
1923	: 23,288	: 387	: 352	: 42,880,425
1924	: 25,000	: ...	: 434	: 50,000,000

Besides operating 434 local elevators the company owns a large terminal elevator at Port Arthur, also a hospital elevator. Three subsidiary companies have been set up for the purpose of handling the export business of the company.

Contracts are being let for the erection of a terminal elevator at Buffalo, N. Y., with a capacity of 1,100,000 bushels. Twelve acres of land have been secured and the plant is to be completed by August, 1925, at an estimated cost of \$800,000. A dock 600 feet long is included in the plans. The plant is to have a receiving capacity of 300,000 bushels in 10 hours and a shipping capacity of 150 carloads in 10 hours. It is to be "used mainly for receiving grain from boats

carrying grain from terminals at the west end of the lakes" and in forwarding the grain to New York, Baltimore, Philadelphia, and Montreal for export.

The business year of the company ends with July 31. Below are given figures taken from the annual financial statements:

Year	Elevators,	Share				
Ending	Land,	Capital	Reserves	Net	Dividends	
July 31	Buildings ¹	Paid-up		Profits	Declared	
1913	:\$.....	\$.....	\$.....	\$.....	\$ 14,254	
1914	: 1,684,090	: 382,461	: 116,290	: 285,181	: 27,860 ²	
1918	: 4,172,765	: 1,104,560	: 979,831	: 124,811	: 88,364	
1919	: 4,728,799	: 1,122,312	: 1,069,591	: 193,599	: 89,700	
1920	:	:	:	:	: 90,259	
1921	: 5,160,271	: 1,408,136	: 1,190,622	: 279,413	: 111,983	
1922	: 5,202,067	: 1,451,306	: 1,434,359	: 463,056	: 114,678 ³	
1923	: 5,431,981	: 1,719,952 ⁴	: 1,624,094	: 442,212	: 137,496 ⁵	

1. Less reserve for depreciation.

2. In addition, paid-up value of shares was increased by \$101,028.

3. In addition, paid-up value of shares was increased by \$249,979.

4. Including a stock dividend of \$249,979.

5. In addition, paid-up value of shares was increased by \$154,808.

Shares which have a par value of \$50 are being paid for largely out of reserves.

Branch offices are maintained by the company at Winnipeg, Saskatoon, Port Arthur, New York, and Vancouver.

In a recent statement it was said, "One of the main objects of the Saskatchewan Cooperative Elevator Company has been to give the farmer selling a wagon load of wheat a price as nearly as possible equal to that which the carload shipper receives. All the resources of the company have been used to give the small farmer the highest price humanly possible for his grain."

The organization is highly democratic. The shareholders are organized in approximately 400 local associations which meet annually and discuss at length the policies and marketing practices of the company and elect delegates to attend the annual meetings of the company. Each local is represented by one delegate who has one vote at the annual meeting, thus assuring to each local an equal voice in the administration of the affairs of the company. These meetings cover several days that all matters of vital interest to the grain growers may be seriously considered. Among the subjects discussed at the 1923 meeting were: compulsory pooling, voluntary pooling, subsidiary companies, patronage dividends, new transportation outlets, organization work in new territory, increased facilities, etc.

Broadcasting of grain prices daily by radio was begun recently. Prices are sent out from Regina and include street prices for all kinds of grain, also official closing prices on the Winnipeg market, including the cash close for all grains, the option close, track prices and market fluctuations.

COURT HOLDS TOBACCO GROWER TO CONTRACT

In *Pittman v. Tobacco Growers' Cooperative Association*, decided by the Supreme Court of North Carolina, 121 S. E. 634, Pittman claimed that the contract which he had entered into with the association was invalid for a number of reasons:

1. Because the association had failed to secure signatures of tobacco farmers covering at least half of the tobacco production of North Carolina, Virginia and South Carolina to the marketing contract. In answer to this contention the court said that there was no evidence of an insufficient sign-up and that "the certificate of the organization committee was conclusive upon the parties."

2. Because the contents of the contract had been misrepresented to him before he signed the contract. The court said that, inasmuch as he had a full opportunity to read the contract before signing it, and inasmuch as there was no evidence that there was fraud or device to prevent him from reading it, he was bound thereby.

3. Because the association was mismanaged. In this connection the court said: "A member of the defendant corporation can not take advantage of alleged mismanagement as a defense to his contract, and, besides, there was no evidence sustaining the allegation of mismanagement."

L. S. Halbert.

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COURT OPINION RELATIVE TO CROP LIENS

In the case of the *Tobacco Growers' Cooperative Association v. Patterson*, decided by the Supreme Court of North Carolina, 121 S. E. 631, the facts showed that Patterson entered into a contract to sell and deliver all of the tobacco produced by or for him as landlord and lessor during the years 1922 to 1926, inclusive. The association claimed that Patterson had violated his contract by selling his 1922 crop outside the association and that he was refusing to deliver his 1923 crop, and hence brought suit against him. With respect to the 1923 crop, Patterson claimed it was covered by mortgages and liens which arose by reason of the fact that a certain concern had made advances to him to enable him to make a crop. This concern was not a party to the suit.

After pointing out that a member of the association had a right to place a mortgage or crop lien on his crop for the purpose of enabling him to produce a crop, and that the contract with the association contemplated he might do so, the court held that the lower court should enjoin Patterson from disposing of his crop outside the asso-

ciation subject to the right of the mortgage or lien holder to demand and receive or to enjoin deliveries, by any appropriate procedure, of a sufficient amount of the tobacco to satisfy the claims to the extent that they constitute a valid lien superior to the rights of the association under the contract.

L. S. Hulbert.

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NORTH CAROLINA COURT REFUSES AN INJUNCTION

In the case of the Tobacco Growers' Cooperative Association v. Bland, decided by the Supreme Court of North Carolina, 121 S. E. 636, Bland delivered all of his 1922 crop of tobacco to the association in accordance with his contract, and two-thirds of his 1923 crop. He sold the remaining one-third outside the association which then sought to restrain him from violating his contract. In answer to the suit Bland contended that the association had wrongfully withheld \$36.80 as a penalty for the nondelivery of certain tobacco belonging to one of his tenants who was not a member of the association. On this point the court held that, although the association was not authorized by him to make the deduction in question, this breach was "not of sufficient proportionate importance to justify an entire severance of the contract relation."

Following the decision of the Supreme Court of North Carolina holding such deductions unauthorized, the association had offered to pay Patterson the amount involved. However, defendant claimed, and the court found, that the association had failed to settle with him in full for the 1922 crop and that it owed him about \$800 on account thereof, and that because of this fact he was compelled to dispose of one-third of the 1923 crop outside the association "to raise money for the necessary supplies of himself and family." Owing to this fact the court held that the association was not entitled to restrain the defendant from marketing the tobacco in question outside the association.

The court took into consideration the fact that the statute under which the association was formed provided that it should have the right to an injunction to prevent a breach or threatened breach of its contract, but stated that this statutory provision should be applied in accordance with approved equitable principles, and in this connection called attention to the rule that "an injunction will not usually be granted or continued where it will do more mischief and work greater injury than the wrong which it is asked to redress," and said "the damage threatened by its issuance (an injunction) far surpasses any injury to be expected from a denial of the writ."

L. S. Hulbert.

COOPERATIVE TOMATO-CANNING PLANTS IN DELAWARE

Five cooperative canneries for handling tomatoes were in operation in Kent County, Delaware, the past season. The first of these plants was started in 1920. As it served the tomato producers in a satisfactory manner other plants were established.

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PRORATING OF RETURNS TO COOPERATIVE SHIPPERS OF LIVESTOCK

Prorating of returns is an important matter in the cooperative marketing of livestock. In order that exact justice be done each producer who has contributed to the shipment, considerable care needs to be exercised in dividing the total receipts from the sales. Practices as to who does the prorating vary greatly in the different parts of the country. In Illinois, Iowa, South Dakota, Kansas, and Missouri, the prorating for more than a majority of the associations is done by the commission companies to which the shipments are consigned. In Michigan, Indiana, Ohio, Minnesota, and North Dakota, the prorating is by an officer of the shipping association, generally the manager. Reports from 32 associations in Wisconsin indicate that 41% depend upon the commission firms for accounting service in regard to prorating; 31%, upon association officers; and 28%, upon other agencies.

A tabulation of the reports made by 335 associations scattered through 18 states indicates that 49% of the associations depend upon the commission companies; 39%, upon association officers; 6%, upon officers of local banks; and 6%, upon other agencies.

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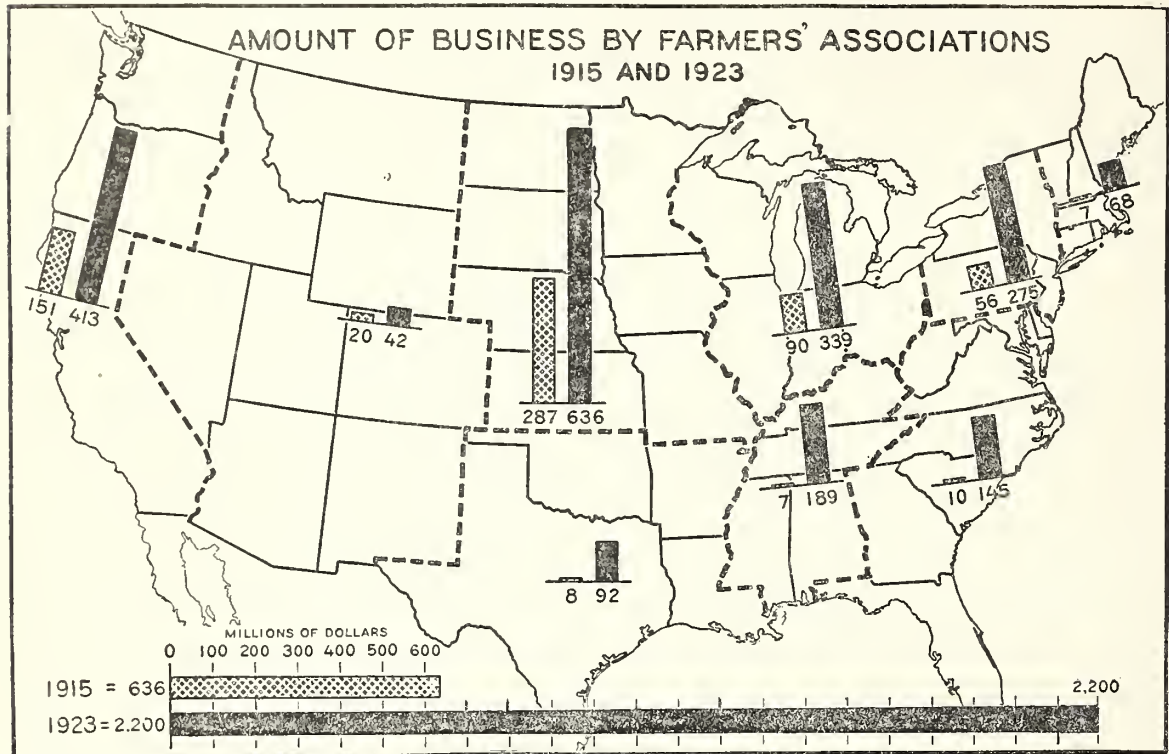
PRACTICES OF LIVESTOCK SHIPPING ASSOCIATIONS REGARDING AUDITING

Information regarding the practices of livestock shipping associations as to the auditing of accounts has been collected by the United States Department of Agriculture. Reports upon this subject were obtained from 329 associations located principally in the Corn-Belt states. Seventy-six per cent of the associations have their accounts audited annually; 10%, quarterly; 6%, monthly; and 5%, semimonthly. Two associations reported that audits were made bimonthly and one reported weekly audits.

Of the associations reporting as to who made the audits, nearly one-half indicated the board of directors; 15% indicated that the auditing was done by a committee (presumably from the board of directors or from the association membership); 15% said the accounts were examined by auditors; 8%, by the manager of the association; and 6%, by an officer of a local bank.

Such information as is available on the subject of auditing is included in a preliminary report recently issued by the Division of Agricultural Cooperation, Bureau of Agricultural Economics, Department of Agriculture, Washington, D. C. Copies may be had upon request.

DEVELOPMENT OF AGRICULTURAL COOPERATION



Measured in dollars and cents, the activities of farmers' organizations increased more than threefold from 1915 to 1923. In the former year the sum total of business transactions amounted to \$635,000,000, and in the latter year to at least \$2,200,000,000.

In the earlier year the strongholds for cooperative buying and selling by farmers were in the seven West North Central States and in the three Pacific Coast States. The cooperative movement had a fair foothold in the five States north of the Ohio River and in New York, Pennsylvania and New Jersey, but in the rest of the country it had little more than passed the "talking stage."

Estimates made from figures for 1923 show that while the gain in the number of dollars representing cooperative sales and purchases has been very great in all parts of the country the percentage gains in amount of business have been large in the states to the south of the Potomac and Ohio Rivers and to the east of the Mississippi River. The percentage gain for the four states of Texas, Oklahoma, Arkansas and Louisiana has also been large, being in excess of one thousand per cent. New England also made a big gain, the increase being over 800 per cent.

As the price level of 1923 was 129 compared with 101 for 1915, a portion of the increases is due to inflation. However, the percentage increases for the Southern States and New England are remarkable. They seem to indicate that cooperative activity is becoming more evenly distributed throughout the 48 states.